



Wireless Expense Management (WEM) Primer

Brief History

In 2000 – 2002 the application of automation and technology was originally introduced by three companies: Traq Wireless, Digital Reliance and MobilSense Technologies to assist businesses in reporting and tracking their wireless invoices through browser-based offerings. Only MobilSense remains from this original group as the two other vendors were acquired by other telecom expense companies. Prior to this point companies had to rely on CD's or paper bills generated by the wireless carriers to pay and report their wireless spending. Analysts like Gartner began tracking this industry niche in the early 2000's and referred to this segment as Wireless Expense Management (WEM). Telecom Expense Management (TEM) had been in existence for a number of years prior for management of wireline telecom expenses. TEM has come to represent a broad range of solutions that includes wireline, data circuits and wireless. Over time wireless management has evolved along with the analyst naming conventions for this segment. At times it is referred to as Mobile (or Mobility) Expense Management (MEM) and Managed Mobility Services (MMS).

Functions That Comprise Wireless Expense Management

Expense management for mobile devices covers the range of tasks a company performs from the acquisition of a mobile device through its entire lifecycle including upgrades, plan/feature changes to final disposition/recycling of that device. It also covers invoice processing from the close of a wireless invoice through accuracy validation, payment processing, charge allocation (also called cost accounting), along with management reporting. In addition companies have found a benefit in invoice optimization capabilities to ensure that plans and features are appropriate for employee usage or that they are not under-sizing their data pools which results in costly overage charges or over-sizing them where they pay for data they don't need or use. Also needed are support personnel who provide helpdesk support to employees with questions and challenges related to their mobile devices. To address the core needs described above, the MobilSentry™ Bronze configuration contains the following modules:

Invoice Management

Each monthly invoice is validated and device level charges are mapped to appropriate cost centers increasing efficiency and precision of monthly charge accounting processes and invoice payment.

Mobile Pool Optimization

Sophisticated optimization algorithms analyze each monthly invoice to insure optimum pool sizing as well as appropriate feature configurations such as international. MobilSense ensures changes are processed each month before the close of each bill cycle.

Reporting and Analytics

Provides easy browser access to powerful decision-making analytics through intuitive interfaces such as top users, invoice costs and usage trends as well as a variety of tabular reports that can be



easily sorted and filtered. The application offers one-click drill-down capability to individual employee cost and usage details for administrators and managers from most reports. The MobilSentry™ Silver configuration for clients with larger device counts, includes an additional module aimed at automating the ordering functions regarding devices and services:

Automated Procurement

Includes a central online provisioning portal for all carriers, devices, and services. The workflow permits multi-level management approval while enforcing standardization, controlling upgrade timeliness and streamlining procurement for all mobile services.

The MobilSentry™ Gold configuration completes a full-service package by incorporating Help Desk services:

Help Desk

A knowledgeable, service-oriented call center is available to address questions that arise during activation to termination of a device including functionality or configuration challenges as well as dealing with a lost or stolen device. With Help Desk, clients may also opt for the lifecycle recycling capability for secure wiping of unneeded devices and environmentally conscious recycling.

Addressing Company Pain Points

Companies who choose to manage their wireless programs with internal resources only may or may not recognize the inherent inefficiencies from the absence of automation. Most are experiencing one or more of the following pain points that can be effectively remedied with the MobilSentry™ solution:

- Consistent increases in wireless bills due to growing data usage
- Inability to easily identify, target and influence employees with excessive usage and cost
- Converting a pdf invoice or carrier electronic export into an accurate and acceptable format for Accounts Payable processing in a timely and efficient manner
- Identifying areas of unneeded spending on an invoice or recognizing key trends over time
- Effectively matching acceptable usage with optimal carrier rate plans and features
- Maintaining accurate asset inventories – matching assets to employees' billing and usage
- Identifying employees that are not complying with company usage policies
- Efficiently capturing and fulfilling orders for activation, upgrade, feature change, or terminations.
- Matching staff skills and availability to handle employee questions while responding in a timely manner to procurement requests.

The Advent of Data Management

Only in the past couple of years has technology advanced to the point of providing the ability to accurately capture sites visited by a mobile device. This capability comes at a time when data



usage in the U.S. is growing dramatically and companies are frustrated with the inability to know if the increase in usage is business justified or just entertainment use of a business asset. MobilSentry™ Data Manager is one of the few products available in the market today, and MobilSense is the only Wireless Expense Management vendor with an integrated WEM-Data Management solution.

The Difference between WEM/MEM/MMS and MDM

While WEM has been around since early 2000, along the journey of WEM/MEM/MMS came a new capability including software that runs on smartphones to provide increased security and the ability to centrally control and alter the applications available on an employee's phone. This capability is called Mobile Device Management (MDM). Though some WEM vendors have attempted to play in both market segments, this market became quickly dominated by a new class of providers including Airwatch by VMWare, Maas360 by IBM, XenMobile by Citrix, MobileIron and Soti. MDM and WEM are complimentary in their use.

Vendor Solution Models

Consultants

Armed with knowledge of carrier invoices and some tricks to locate savings, a vast array of consultants who typically have a limited set of tools mostly comprised of spreadsheets will sell their services on a consulting basis to target invoice savings opportunities. These consultants may also be employed to assist in RFP's when selecting new WEM providers or in negotiating with carriers for new contract terms. They bring knowledge and experience but their expertise and cost will vary widely.

Shared Savings – Contingency Model

Sometimes referred to as a gain-share model, this approach is comprised of providers that extract their payment based on a percentage of cost savings they contribute through their analysis and actions. These are basically consultants that operate financially based on sharing the savings rather than fixed fees. Companies might find this approach appealing as they feel it comes at no cost, just a reduction in savings that they otherwise would not have found. However, quantifying actual savings attributed to the provider can become murky over time and even contentious. In this model quantifying the savings often takes more effort than securing the savings after the initial savings recommendations and this can become apparent to the client. This model typically precludes addressing anything other than optimization.

Recurring Fixed Fee per Device Model

These vendors will typically charge a set cost/device/month fee as a basis for the service and provide many services beyond optimization. Beyond the fixed monthly fee, all savings generated accrue to the client's bottom line. In most cases return on investment occurs within the first two to three months. This is the MobilSense model as we believe it is the most cost effective and predictable model in the marketplace.